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SENATE BILL 219

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO ACCOUNTANCY; CHANGING EXAMINATION PROCEDURES FOR  
QUALIFICATION AS A CERTIFIED PUBLIC ACCOUNTANT; INCREASING A  
FEE; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 61-28B-7 NMSA 1978 (being Laws 1999,  
Chapter 179, Section 7) is amended to read:

"61-28B-7. QUALIFICATIONS FOR A CERTIFICATE AS A  
CERTIFIED PUBLIC ACCOUNTANT. --

A. An applicant for a certified public accountant  
certificate shall complete the application form provided by the  
board and demonstrate to the board's satisfaction that he:

(1) is of good moral character and lacks a  
history of dishonest or felonious acts; and

(2) meets the education, experience and

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1 examination requirements of the board.

2 B. The board may refuse to grant a certificate on  
3 the ground that the applicant failed to satisfy the requirement  
4 of good moral character.

5 C. The education requirements for a certificate,  
6 which must be met before an applicant is eligible to apply for  
7 examination, are as required in this section or Section ~~[8 of~~  
8 ~~the 1999 Public Accountancy Act]~~ 61-28B-8 NMSA 1978. After  
9 July 1, 1999, the requirement for a certificate is a  
10 baccalaureate or higher degree or its equivalent conferred by a  
11 college or university acceptable to the board, with thirty  
12 semester hours in accounting or equivalent as determined by the  
13 board.

14 ~~[D. The examination for certification shall be held~~  
15 ~~at least twice a year and shall test the applicant's knowledge~~  
16 ~~of the subjects of accounting and auditing and such other~~  
17 ~~related subjects as prescribed by the board. The time for~~  
18 ~~holding the examination shall be determined by the board and~~  
19 ~~may be changed from time to time. The board shall prescribe~~  
20 ~~the methods of applying for the examination and of grading~~  
21 ~~papers; provided, however, that the board shall to the extent~~  
22 ~~possible provide that the examination, the grading of the~~  
23 ~~examination and the passing grades are uniform with~~  
24 ~~examinations of all other states. The board may use all or any~~  
25 ~~part of the uniform certified public accountant examination and~~

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1 ~~advisory grading service of the American institute of certified~~  
2 ~~public accountants to perform administrative services with~~  
3 ~~respect to the examination. The board shall administer and~~  
4 ~~proctor the examination with volunteers from the accounting~~  
5 ~~profession.~~

6 E. ~~An applicant must pass all sections of the~~  
7 ~~examination in order to qualify for a certificate. A passing~~  
8 ~~grade for each section shall be seventy-five. If he passes two~~  
9 ~~or more but not all sections in an examination sitting, he~~  
10 ~~shall be given credit for those sections and need not sit for~~  
11 ~~re-examination in those sections; provided that he passes the~~  
12 ~~remaining sections of the examination within six consecutive~~  
13 ~~examinations given after the one at which the first sections~~  
14 ~~were passed.]~~

15 D. The examination for certification shall be  
16 offered via a computer-based testing system at least four times  
17 per year at a designated testing center and shall test an  
18 applicant's knowledge of the subjects of accounting and  
19 auditing and other related subjects as prescribed by the board.  
20 The board shall prescribe the method of applying for the  
21 examination and the dissemination of scores, and it shall rely  
22 on the American institute of certified public accountants for  
23 the grading of the examination. The board may use all or any  
24 part of the uniform certified public accountant examination  
25 services of the national association of state boards of

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1 accountancy to perform administrative services with respect to  
2 the examination. The board or its designee shall report all  
3 eligibility and score data to the national candidate database,  
4 and it shall, to the extent possible, provide that the passing  
5 scores are uniform with passing scores of other states.

6 E. An applicant must pass all sections of the  
7 examination to qualify for a certificate. A passing scaled  
8 score for each section shall be seventy-five. Sections may be  
9 taken individually and in any order. An applicant may not take  
10 a failed test section within the same three-month examination  
11 window. Credit for any section passed shall be valid for  
12 eighteen months from the actual date the applicant took that  
13 section, without having to attain a minimum score on any failed  
14 test section and without regard to whether the applicant has  
15 taken other test sections. An applicant must pass all four  
16 test sections within a continuous eighteen-month period, which  
17 begins on the date that the first section passed is taken. If  
18 all four test sections are not passed within the continuous  
19 eighteen-month period, credit for any test section passed  
20 outside the eighteen-month period will expire, and that test  
21 section must be retaken.

22 F. An applicant who has passed at least two  
23 sections of the paper and pencil examination, as of the launch  
24 date of the computer-based examination, will retain credit for  
25 the corresponding test sections of the computer-based

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1 examination.

2 G. An applicant who has passed at least two  
3 sections of the paper and pencil examination, as of the launch  
4 date of the computer-based examination, shall be given a  
5 transition period to complete any remaining test sections of  
6 the computer-based examination.

7 [~~F.~~] H. An applicant shall be given credit for  
8 examination sections passed in another state if such credit  
9 would have been given in New Mexico.

10 [~~G.~~] I. The board may waive or defer requirements  
11 of this section regarding the circumstances in which sections  
12 of the examination must be passed, upon a showing that, by  
13 reason of circumstances beyond the applicant's control, he was  
14 unable to meet the requirement.

15 [~~H.~~] J. An applicant for initial issuance of a  
16 certified public accountant certificate shall show that he has  
17 had at least one year of experience. After July 1, 2004, the  
18 applicant shall have had at least one year of experience. This  
19 experience shall include providing service or advice involving  
20 the use of accounting, attest, management advisory, financial  
21 advisory, tax or consulting skills as verified by a certified  
22 public accountant who meets requirements prescribed by the  
23 board. The experience is acceptable if it was gained through  
24 employment in government, industry, academia or public  
25 practice. "

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1           Section 2. Section 61-28B-8 NMSA 1978 (being Laws 1999,  
2 Chapter 179, Section 8) is amended to read:

3           "61-28B-8. QUALIFICATIONS FOR A CERTIFICATE AS A  
4 CERTIFIED PUBLIC ACCOUNTANT--JULY 1, 2004.--

5           A. An applicant for a certificate shall complete  
6 the application form provided by the board and demonstrate to  
7 the board's satisfaction that he:

8                       (1) is of good moral character and lacks a  
9 history of dishonest or felonious acts; and

10                      (2) meets the education, experience and  
11 examination requirements of the board.

12           B. The board may refuse to grant a certificate on  
13 the ground that the applicant failed to satisfy the requirement  
14 of good moral character.

15           C. The education requirements for a certificate,  
16 which must be met before an applicant is eligible to apply for  
17 examination, are as provided in this section or Section [7 of  
18 ~~the 1999 Public Accountancy Act~~] 61-28B-7 NMSA 1978. After  
19 July 1, 2004, an applicant shall have at least one hundred  
20 fifty semester hours of college education, including a  
21 baccalaureate or higher degree or its equivalent conferred by a  
22 college or university acceptable to the board, the total  
23 educational program to include an accounting concentration or  
24 equivalent as determined by the board, with thirty semester  
25 hours in accounting or equivalent as determined by the board.

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1           ~~[D. The examination for certification shall be held~~  
2 ~~at least twice a year and shall test the applicant's knowledge~~  
3 ~~of the subjects of accounting and auditing and other related~~  
4 ~~subjects as prescribed by the board. The time for holding the~~  
5 ~~examination shall be determined by the board and may be changed~~  
6 ~~from time to time. The board shall prescribe the methods of~~  
7 ~~applying for the examination and of grading papers; provided,~~  
8 ~~however, that the board shall to the extent possible provide~~  
9 ~~that the examination, the grading of the examination and the~~  
10 ~~passing grades are uniform with examinations of all other~~  
11 ~~states. The board may use all or any part of the uniform~~  
12 ~~certified public accountant examination and advisory grading~~  
13 ~~service of the American institute of certified public~~  
14 ~~accountants to perform administrative services with respect to~~  
15 ~~the examination. The board shall administer and proctor the~~  
16 ~~examination with volunteers from the accounting profession.~~

17           ~~E. An applicant must pass all sections of the~~  
18 ~~examination in order to qualify for a certificate. A passing~~  
19 ~~grade for each section shall be seventy-five. If he passes two~~  
20 ~~or more but not all sections in an examination sitting, he~~  
21 ~~shall be given credit for those sections and need not sit for~~  
22 ~~re-examination in those sections; provided that:~~

23                   ~~(1) at that sitting he wrote all sections of~~  
24 ~~the examination for which he does not have credit;~~

25                   ~~(2) he made a minimum grade of fifty on each~~

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1 ~~section taken at that sitting;~~

2 ~~(3) he passes the remaining sections of the~~  
3 ~~examination within six consecutive examinations given after the~~  
4 ~~one at which the first sections were credited;~~

5 ~~(4) at each subsequent sitting at which he~~  
6 ~~seeks to pass an additional section, the applicant writes all~~  
7 ~~sections for which he does not have credit; and~~

8 ~~(5) in order to receive credit for passing~~  
9 ~~additional sections in such subsequent sitting, the applicant~~  
10 ~~makes a minimum grade of fifty on sections taken at that~~  
11 ~~sitting.]~~

12 D. The examination for certification shall be  
13 offered via a computer-based testing system at least four times  
14 per year at a designated testing center and shall test an  
15 applicant's knowledge of the subjects of accounting and  
16 auditing and other related subjects as prescribed by the board.  
17 The board shall prescribe the method of applying for the  
18 examination and the dissemination of scores, and it shall rely  
19 on the American institute of certified public accountants for  
20 the grading of the examination. The board may use all or any  
21 part of the uniform certified public accountant examination  
22 services of the national association of state boards of  
23 accountancy to perform administrative services with respect to  
24 the examination. The board or its designee shall report all  
25 eligibility and score data to the national candidate database,

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1 and it shall, to the extent possible, provide that the passing  
2 scores are uniform with passing scores of other states.

3 E. An applicant must pass all sections of the  
4 examination to qualify for a certificate. A passing scaled  
5 score for each section shall be seventy-five. Sections may be  
6 taken individually and in any order. An applicant may not take  
7 a failed test section within the same three-month examination  
8 window. Credit for any section passed shall be valid for  
9 eighteen months from the actual date the applicant took that  
10 section, without having to attain a minimum score on any failed  
11 test section and without regard to whether the applicant has  
12 taken other test sections. An applicant must pass all four  
13 test sections within a continuous eighteen-month period, which  
14 begins on the date that the first section passed is taken. If  
15 all four test sections are not passed within the continuous  
16 eighteen-month period, credit for any test section passed  
17 outside the eighteen-month period will expire, and that test  
18 section must be retaken.

19 F. An applicant who has passed at least two  
20 sections of the paper and pencil examination, as of the launch  
21 date of the computer-based examination, will retain credit for  
22 the corresponding test sections of the computer-based  
23 examination.

24 G. An applicant who has passed at least two  
25 sections of the paper and pencil examination, as of the launch

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1 date of the computer-based examination, shall be given a  
2 transition period to complete any remaining test sections of  
3 the computer-based examination.

4 [F-] H. An applicant shall be given credit for  
5 examination sections passed in another state if such credit  
6 would have been given in New Mexico.

7 [G-] I. The board may waive or defer requirements  
8 of this section regarding the circumstances in which sections  
9 of the examination must be passed, upon a showing that, by  
10 reason of circumstances beyond the applicant's control, he was  
11 unable to meet the requirement.

12 [H-] J. An applicant for initial issuance of a  
13 certified public accountant certificate shall show that he has  
14 had at least one year of experience. This experience shall  
15 include providing service or advice involving the use of  
16 accounting, attest, management advisory, financial advisory,  
17 tax or consulting skills as verified by a certified public  
18 accountant who meets requirements prescribed by the board. The  
19 experience is acceptable if it was gained through employment in  
20 government, industry, academia or public practice. "

21 Section 3. Section 61-28B-27 NMSA 1978 (being Laws 1999,  
22 Chapter 179, Section 27, as amended) is amended to read:

23 "61-28B-27. FEES. --The board may collect from certificate  
24 holders, permit holders, applicants and others the following  
25 fees:

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1           A. for examination, a fee not to exceed [~~two~~  
2 ~~hundred twenty five dollars (\$225)] four hundred dollars (\$400)  
3 per examination section;~~

4           B. for certificate issuance or renewal, a fee not  
5 to exceed one hundred seventy-five dollars (\$175) per year;  
6 provided, however, the board may charge a biennial fee of not  
7 more than twice the annual fee;

8           C. for firm permits, a fee not to exceed one  
9 hundred dollars (\$100) per year; provided, however, the board  
10 may charge a biennial fee of not more than twice the annual  
11 fee;

12           D. for incomplete or delinquent continuing  
13 education reports, certificate or permit renewals, a fee not to  
14 exceed one hundred dollars (\$100) each;

15           E. for preparing and providing licensure and  
16 examination information to others, a fee not to exceed seventy-  
17 five dollars (\$75.00) per report;

18           F. reasonable administrative fees for such services  
19 as research, record copies, duplicate or replacement  
20 certificates or permits;

21           G. for certificate reinstatement, a fee not to  
22 exceed one hundred seventy-five dollars (\$175), plus past due  
23 fees and penalties;

24           H. for waiver to comply with continuing  
25 professional education requirements, a fee not to exceed

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1 seventy-five dollars (\$75.00) per application; and

2 I. for reentry into active certificate status and  
3 to comply with continuing education, a fee not to exceed  
4 seventy-five dollars (\$75.00) per application. "

5 Section 4. EMERGENCY.--It is necessary for the public  
6 peace, health and safety that this act take effect immediatley.

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